PRESIDENTIAL COMMUNICATIONS OFFICE
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PRESS BRIEFING OF MS. DAPHNE OSEÑA-PAEZ
WITH BUDGET SECRETARY AMENAH PANGANDAMAN
March 21, 2023 (1:17 P.M. – 1:35 P.M.)

MS. OSEÑA-PAEZ: [COVERAGE CUT] … presided the sectoral meeting this morning, pinag-usapan ang status ng Executive Order 138 o ang Full Devolution of Certain Functions of the National Government to Local Governments, Creation of a Committee on Devolution, and for other purposes.

The roadmap extending the transition to full devolution from national government to local government units was discussed during this meeting. And to give us more details on this, kasama natin ngayon si Department of Budget and Management Secretary Amenah Pangandaman. Good afternoon, Secretary Pangandaman.

DBM SEC. PANGANDAMAN: Good afternoon, Ms. Daphne. And good afternoon to everyone, our media friends

MS. OSEÑA-PAEZ: Go ahead.

DBM SEC. PANGANDAMAN: Okay. So we had a meeting this morning with the President. I'm sure you all know about the full devolution as a result of the Supreme Court decision, the Garcia-Mandanas case Supreme Court decision, which with that, in 2019, the previous administration prepared an executive order – it's Executive Order 138 – which says that we have a transition period until 2024 to fully … before we fully implement the devolution of projects and programs to the local government units.

When PBBM administration took office, mayroon pong mga issues na naparating po sa atin ang ating mga kaibigan sa LGUs na, I think, marami po sa kanila ang hindi pa po prepared para sa tinatawag nating full devolution. So with that, mayroon po tayong tinatawag na … in EO 138, mayroon pong Committee on Development which the members are—it's chaired by BBM. Ang members po diyan ay DOF; we have DILG; and we have NEDA and we usually consult with our league of municipalities, iyong mga groups natin with the governors and city mayors and our barangays.

So noong sinabi po sa atin ng ating mga LGUs na hindi pa po nila kaya, that even giving them enough funding as a result of the Mandanas case nga po, hindi po nila kayang i-implement iyong mga ibang projects po na medyo … iyong tinatawag po nating mga big ticket and high-impact projects po.

So what we did po is, the President asked us to study this and maybe make an amendment po sa ating EO 138.

So kanina po ay napag-usapan po namin iyan together with … we have the League of Municipalities there and we have … si Governor Daks was also there, present. And we decided po, and then the President po gave an instruction to further study the responsibilities, projects and programs na kaya po gawin ng mga LGUs at ang iiwan po natin sa national government. Kasi po, dahil po doon sa Mandanas case po, lahat po ng mga programa as provided for by our Local Government Code ay dapat po ipaubaya na po natin sa local government units.

So with our meeting this morning, we were tasked again by the President to sit and study the projects and programs po na iiwan natin sa national government, kasi national government lang po ang may kayang gawin itong mga proyekto na ito, at kung ano po ang mga proyekto naman na idi-devolve natin sa ating mga local government units po. Iyon po.

MS. OSEÑA-PAEZ: Okay. Thank you, Secretary. Are there any questions from the floor? Mariz Umali, GMA 7.

MARIZ UMALI/GMA7: Secretary, good afternoon. And belated Happy Birthday, Daphne.

MS. OSEÑA-PAEZ: Thank you.

MARIZ UMALI/GMA7: Ma'am, may we just know what exactly were the reasons of the LGUs why they cannot implement fully the programs that are supposed to be implemented by them?

DBM SEC. PANGANDAMAN: As you know po, iba-iba po ang level ng capacity ng ating mga local government units. Of course, iyong mga nasa cities po, medyo advanced and developed na rin po iyan. And then because they have enough funding, mayroon na rin po silang enough manpower to implement the projects but there are LGUs po that we know are really lagging po. Hindi po nila kayang i-implement iyong mga projects kasi kulang po ang kanilang technical expertise and capacity to implement those projects.

For example po, nakalagay po sa ating Local Government Code, eh pati po iyong … kunwari, National Irrigation System, I think a small water impounding system can be implemented by an LGU but I don't think they can implement a big irrigation system project. Plus the fact po na ang irrigation project is usually transverse among different areas po 'no. So, may mga ganoon po, may mga proyekto po na sobrang laki na talagang at saka kailangan po ng technical capacity and expertise po ng mga tao sa LGUs to prepare and plan po properly and efficiently iyong mga projects.

MARIZ UMALI/GMA 7: So, you mentioned a while ago that since the local government units will not be able to implement these programs just yet, so it's going to be the national government who normally implements these projects, they will be the ones to continue these projects but considering that they are expecting the LGUs that the activities or the programs and the projects will be devolved to the LGUs already, and they are expecting that the LGUs will be focusing on these projects already. Will this affect, will this have an impact on the national government's implementation of these programs or none at all?

DBM SEC. PANGANDAMAN: Wala naman po. What's important is iyong EO 138 natin binigyan po tayo ng enough time to transition until 2024 po to help this lagging and small LGUs to cope and para po matuto sila.

May budget po ang different departments po for 2023 to help them, to capacitate them – may budget po ang DILG to work on seminars and workshops, to help them; mayroon din pong capacity building ang Department of Finance on how to utilize their budgets; ang DBM po on procurement processes, para po ma-procure nila nang maaga at [unclear] po nang maaga iyong kanilang mga proyekto; and NEDA din po, nandidiyan din po ang NEDA to help them iyong pag-identify mo ng projects it's in adherence with the Philippine Development Plan.

MARIZ UMALI/GMA 7: May we know, Secretary, how many LGUs are not capable to implement these projects just yet? And in other words po ba parang wala rin namang magiging problema kasi for these LGUs which will not be able to implement these projects as of just yet then it will just be status quo, tama po ba?

DBM SEC. PANGANDAMAN: Yes. But there are also …you have to also think that there are also LGUs especially those who are in the higher income status iyong mga cities and ano nakaya naman po nilang mag-implement. Ang tututukan po sana natin dito ay iyong mga fourth, fifth class municipalities – there are roughly 450 of them, that's why in our EO 138 that was signed previously mayroon po diyan sa Section 8 po noong EO mayroon po diyan tinatawag na growth equity fund. Iyong growth equity fund po is pondo na ibibigay natin sa kanila, on top po ito sa lahat ng capacity building that the national government is providing. Iyong pondo pong iyon ay para po matulungan sila kung paano po gumawa ng proyekto, kung paano magplano, at saka mabigyan sila ng additional projects po para at least they can cope with those that are already advanced and developed.

MARIZ UMALI/GMA 7: Ma'am, one last: How exactly will the ruling, just enlighten us, how exactly will the ruling, the Mandanas ruling affect the fiscal situation of the national government?

DBM SEC. PANGANDAMAN: Basically po, I have the numbers here, so the LGUs will receive an increase of 185 billion pesos – that's in 2023 as a result of all taxes in the determination of just share of LGUs with the total NCA shares amounting to 959.04. Meaning 185 billion po ang matatanggal sa national government po at ibibigay po natin sa LGUs.

MARIZ UMALI/GMA 7: How will it affect the fiscal situation?

DBM SEC. PANGANDAMAN: I think as of now naman wala naman because we expect that the DOF has been incurring a lot off revenues right now, so yeah hindi naman po maaapektuhan.

MS. OSEÑA-PAEZ: Thank you. Next question from Eden Santos of Net 25.

EDEN SANTOS/NET 25: Good afternoon po, Secretary. Before po you mentioned that more than 960 billion pesos budget for LGUs this year 2023 will remain po ba na ibibigay iyan sa ating LGUs under the IRA or NCA na ngayon?

DBM SEC. PANGANDAMAN: Yes po. Opo, kailangan po kasi ito po ay automatically appropriated po.

EDEN SANTOS/NET 25: With this budget po ba kakayanin na po ng ating LGUs na makapagpagawa ng mga proyekto na masasabi nating hindi na po kailangan ng national government assistance and anu-ano po ba aside doon sa nabanggit ninyong small water impounding na kaya po nilang ipagawa para sa kanilang mga lugar na hindi na po kailangang gastusan ng national government?

DBM SEC. PANGANDAMAN: Kaya nga po iyong meeting po kanina in consultation with our groups with the LMPs, with the governors, tiningnan po natin kung kakayanin po nila. You know, ang sabi po sa atin ng LMPs, it's not only about the money. Of course, they're happy that they have additional money now but sila din po, iniisip din po nila how will they use the money, properly utilize it and implement it. Siyempre 'pag may programa po tayo tapos makita po ng mga kababayan natin na nangyayari po iyong mga programa saka iyong proyekto, it will be—mas masaya po sila na ganoon iyong mangyayari, 'di po ba?

So I think, from their end they also welcome po iyong meeting kanina, iyong result ng meeting kanina that we will still, again, sit down and identify specifically po ano ang mga proyekto na kaya ng national government at saka ng local government units, ano ang kaya ng provinces – ano iyong puwede sa provinces, ano iyong puwede sa municipality, ano ang puwede sa cities at ano ang puwede sa mga barangays.

EDEN SANTOS/NET25: Follow up lang. Kabilang po ba diyan iyong mga barangay health center, barangay hall, mga ganoon po?

DBM SEC. PANGANDAMAN: Iyong mga maliliit pong ganiyan, if we look at our Local Government Code talaga pong sa kanila na 'yan eh 'di ba. Mayroon po silang mga local funds na talagang ginagamit nila sa mga ganiyang klaseng programa po, iyong mga ganiyan po kaya na po nila iyan. Talagang hindi lang po talaga nila kaya, minsan po may mga—my example po kanina, isang barangay po na even a short barangay road hindi ay nila kaya so talagang dito po, kailangan mag-come in ang gobyerno para po matulungan sila.

ALVIN BALTAZAR/RADYO PILIPINAS: Secretary, magandang hapon po. Secretary, kakayanin po ba na ma-implement na ito ng 2024?

DBM SEC. PANGANDAMAN: Ito po ang instruction sa atin ng ating Presidente po – pag-aralan po natin, uupuan po namin. Si Secretary Arci Balisacan po ng NEDA ang maghi-head po noong study; tapos po iku-convene po natin ang ComDev and then we will report this to the President and all the leagues kung kaya na po ba nila by 2024 or kailangan po ba ito i-extend.

ALVIN BALTAZAR/RADYO PILIPINAS: So, pupuwede palang we go beyond 2024 kung saka-sakaling hindi talaga uubra?

DBM SEC. PANGANDAMAN: Posible din po, kung hindi po talaga kaya.

ALVIN BALTAZAR/RADYO PILIPINAS: Opo. Secretary, follow up lang po. Doon sa mga fourth class saka fifth class municipalities, paano sila makaka-cope up kasi 'di ba parang mas kailangan nila ng dagdag na budget para makasabay doon sa magiging transition?

DBM SEC. PANGANDAMAN: Opo. Kasama po doon sa EO iyong tinatawag po natin nga po na kaninang sinabi ko, iyong growth equity fund (GEF). So for last year po, we provided them 1.2 billion, divided po iyan according to their population – mayroon pong formula tayong ginagamit diyan. And then this year po, for 2023 budget, mayroon din po silang one billion. And then iyong capacity-building din po na sinasabi ko kanina – with DILG, DOF, NEDA at DBM and DAP – tuluy-tuloy po 'to, magsisimula na po ito. I think ang DILG nagsimula na and then hanggang 2024 po, hopefully by then, we will be able na po to check kung kaya na po nila.

ACE ROMERO/PHILIPPINE STAR: So, Secretary, so realistically when can we expect the completion of that particular study on the devolution? At saka kung kailangan i-revise iyong EO noong Duterte admin, when realistically can we come up with that?

DBM SEC. PANGANDAMAN: Before coming here, I was talking to Secretary Arci Balisacan and Secretary Ben Diokno. In fact, there are a lot of studies already done by different academic institutions like PIDS and even our development partners. Maybe we can just look at them again and then mabilis lang po 'to, siguro in just two months baka mayroon na po kaming study and we

are able to show this to the President already and makapag-present na rin po tayo kung kailangan po talaga nating i-amend iyong EO 138.

ACE ROMERO/PHILIPPINE STAR: Is it possible Secretary, that it will not be a 'one size, fits all'? Kasi 'di ba iyong iba kaya, kung sasabihin mo idi-devolve natin 'tong function na 'to but you know, may mga layers iyong—some projects kaya noong iba, some projects hindi. Puwede kayang ganoon po na hindi 'one size, fits all' iyong mangyayari?

DBM SEC. PANGANDAMAN: Yes po. Kasama po iyan sa napag-usapan kanina. Parang hindi or we don't have—parang hindi pupuwede ang isang standard formula for all the LGUs kasi iba-iba po ang capacity, iba-iba ang expertise, iba-iba ang needs ng bawat LGU – so, iyon po. Kasama po iyon sa magiging parang… siguro we're talking about kung paano, how are we going to present it, maybe a matrix or ano – parang ganoon po.

ACE ROMERO/PHILIPPINE STAR: Salamat po.

JOYCE BALANCIO/DZMM: Ma'am, just to compare, you mentioned kanina 450 LGUs, fifth [class] municipalities ang hindi po kaya. How many LGUs naman po ang kaya naman? And just a follow up, how do we strike a balance doon sa follow doon sa question ni Ace? Like kung i-insist po ng LGU that they can implement big ticket projects, hindi ba talaga sila puwedeng makapagsimula?

DBM SEC. PANGANDAMAN: Puwede po. Kasi in fact iyong funding naman po ng NTA nila, it's already provided. And sa local government code din po, naka-provide na rin po doon lahat ng mga na-devolve nating functions. So it doesn't prevent them as long as they can do it but we really have to take consideration po iyong talagang lagging po, iyong mga underdeveloped kasi maiiwan po sila. Iyon lang po iyong magiging, I think, major issue – maiiwan po sila.

JOYCE BALANCIO/DZMM: Number lang, ma'am, kung mayroon kayong number of LGUs.

DBM SEC. PANGANDAMAN: Ilan ba ang municipalities natin? One thousand…

JOYCE BALANCIO/DZMM: Capable…

DBM SEC. PANGANDAMAN: I think most of the—there are provinces that can do it and siguro there are cities na kaya din naman po. May mga munisipyo din po na very aggressive, na kaya din po nila gawin.

MS. OSEÑA-PAEZ: I think we can provide you with the number in a little while. We have room for one more question – anybody?

CHONA YU/RADIO INQUIRER: Ma'am, what are the safeguards that the national government will implement to ensure na hindi siya mauuwi sa corruption kapag LGUs na ang humawak?

DBM SEC. PANGANDAMAN: I think there are enough safeguards that we have now. First iyong sa GPRA mo, hindi ka basta-basta puwedeng makapag-procure ng mga produkto/services kung hindi iyon dumaan sa competitive bidding; pangalawa, lahat po ng ating LGUs din po eh dumada—may COA din po, may COA auditing din po sila; and pangatlo po, mayroon po iyong tinatawag po—ang DILG, mayroon po silang mga awards diyan eh – iyong seal of excellence, good conduct and ganiyan, ganiyan… So I think they have to adhere to that para po—kasi I think

may mga premyo ‘yan eh ‘pag mayroon kang mga awards na ganiyan. So I think that’s enough motivation for them.

MS. OSEÑA-PAEZ: Okay. Thank you very much. I think that ends our press conference today with Secretary Pangandaman. Thank you so much.

DBM SEC. PANGANDAMAN: Thank you, ma’am. Thank you po.

MS. OSEÑA-PAEZ: Thank you, Malacañang Press Corps. Have a good afternoon.

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